



14 November 2022

Subject: Management Discussion and Analysis of the Operating Performance for the three-month period ended September 30, 2022

To: The President  
 The Stock Exchange of Thailand

### Quarterly Summary

(Unit: Million Baht)

Statement of comprehensive income	Q3/2022	Q2/2022	Q3/2021	% QoQ	% YoY
Revenue from contracts with customers	1,433.1	1,498.8	1,620.3	(4.4)	(11.6)
Cost of Sales and services	1,450.5	1,562.2	1,581.6	(7.2)	(8.3)
Gross Profit	(17.4)	(63.4)	38.7	72.6	(145.2)
Selling and distribution expenses	20.8	19.6	16.9	6.1	(23.1)
Administrative expenses	114.4	109.8	109.5	4.2	4.5
Profit (Loss) on exchange	(4.8)	(5.1)	(33.5)	5.9	85.7
Finance Cost	54.0	50.5	46.7	6.9	15.6
Profit (Loss) for the period	(218.0)	(237.5)	(160.6)	8.2	(35.7)

### Operating Performance for the three months ended September 30, 2022

- Revenue from contracts with customers of Baht 1,433.1 million slightly decreased by 4.4% QoQ or Baht 65.7 million and 11.6% YoY or Baht 187.2 million.
- Cost of sales and services of Baht 1,450.5 million which is 101.2% of revenue, there was as decrease from the previous quarter which was 104.2% of revenue. In 2021 Q3 Cost of Sales and service was 97.6% of revenue. The group is considering adjusting distribution strategies and reducing manufacturing costs and other expenses.
- Gross profit of Baht (17.4) million which was a negative margin of (1.2)% of revenue. In the prior quarter, gross profit was a loss of (4.2)% as a percent of revenue. However, in comparison in to YoY the gross profit decreased gross profit was a profit of 2.4% of revenue. During Q3, 2022 the company has negotiated to increase the selling price with customers. The company is working to try to increase the margin continuously.
- Selling and distribution expenses of Baht 20.8 million which is 1.5% of revenue, increase from the previous quarter and the quarter last year which was 1.3% and 1.0% of revenue, however, the company group has the policy to manage the selling expenses continuously.
- Administrative expenses of Baht 114.4 million which is 8.0% of revenue. In the prior quarter, this was 7.3% of revenue. In comparison with the prior year, Administrative expenses were 6.8% of revenue. The group is working to manage the administrative expenses.
- Financial cost of Baht 54.0 million which is 3.8% of revenue increased by Baht 3.5 million and by Baht 7.3 million YoY or, respectively, because of the interest market rate.
- Net Loss of Baht 218.0 million or 15.2% compared to sales revenue, decreased from the previous quarter but increased of the previous year accounted for 15.8% and 9.9% respectively. As the Group

is in the process of implementing operational plans to change its strategies and future business model, the loss continuously declines.

### Statement of Financial Position

(Unit: Million Baht)

	30 September 2022		31 December 2021		Change	
	Amount	%	Amount	%	Amount	%
<b>Current Assets</b>	2,228.7	37.9	2,788.6	41.5	(559.9)	(20.1)
<b>Non-current assets</b>	3,657.5	62.1	3,933.1	58.5	(275.6)	(7.0)
<b>Total Assets</b>	5,886.2	100.0	6,721.7	100.0	(835.5)	(12.4)
<b>Current liabilities</b>	5,639.3	95.8	5,235.4	77.9	(403.9)	7.7
<b>Non-current liabilities</b>	337.7	5.6	984.7	14.6	(653.0)	(66.3)
<b>Total liabilities</b>	5,971.0	101.4	6,220.1	92.5	(249.1)	(4.0)
<b>Total shareholders' equity</b>	-84.8	1.4	501.6	7.5	(586.4)	(116.9)
<b>Total liabilities and shareholders' equity</b>	5,886.2	100.0	6,721.7	100.0	(835.5)	(12.4)

- Total assets as of 30 September 2022 decreased by Baht 835.5 million from 31 December 2021. This is due to the inventory decreasing by Baht 173.5 million and trade accounts receivable decreased by Baht 410.9 million.
- Total liabilities as of 30 September 2022 decreased by Baht 249.1 million from 31 December 2021, due to changing the purchase conditions.
- Total shareholders' equity as of 30 September 2022 of Baht -84.8 million decreased a from 31 December 2021 by baht 586.4 million due to loss for the period.

Yours Sincerely,

Kulthorn Kirby Public Company Limited

(Mr. Sutee Simakulthorn)

Executive Vice President Finance

